



NUCLEAR FUEL SERVICES, INC.

a subsidiary of The Babcock & Wilcox Company

■ 1205 banner hill road ■ erwin, tn 37650 ■ phone 423.743.9141
■ www.nuclearfuelservices.com

21G-10-0125
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ACF-10-0168

June 11, 2010

Mr. Luis A. Reyes, Regional Administrator
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

References: 1) Docket No. 70-143; SNM-124
2) Confirmatory Action Letter (CAL No. 2-2010-001), dated January 7, 2010, Mr. Luis A. Reyes (NRC) to Mr. David L. Kudsins (NFS)
3) Letter (21G-10-0061), dated March 11, 2010, Mr. David Amerine (NFS) to Mr. Luis Reyes (NRC)
4) Letter (20G-10-0028), dated May 25, 2010, Mr. David Amerine (NFS) to Mr. Joseph Shea (NRC)
5) Letter, dated May 19, 2010, Mr. Luis A. Reyes (NRC) to Mr. David B. Amerine (NFS)

Subject: NFS Approach to Resumption of BPF Uranium-Aluminum Operations

Dear Sir:

In accordance with Reference 2, per the clarifications made in Reference 3 describing our conservative, measured approach to restart one line of production at a time, and in accordance with our schedule projections in Reference 4, Nuclear Fuel Services, Inc. (NFS) has confirmed its readiness to restart the Blended Low Enriched Uranium Preparation Facility (BPF) for uranium aluminum feed materials and associated support systems also described in Reference 4. NFS respectfully requests NRC commence their review of our readiness to restart the BPF Uranium Aluminum process line and associated support systems.

NFS' confidence in its readiness to restart the BPF is based on a period of deliberate actions and evaluations. The success of the restart of the Naval Production Product Line (NPPL) and the BPF U-Metal/Oxide process line has provided a substantial basis and demonstration that the requested additional restart is appropriate.


After receiving NRC authorization on March 23, 2010, to resume NPPL operations, NFS initiated a "pause" to reflect on the changes made and the expected behaviors during the impending restart. Using our improved approach to conduct of operations, the NPPL was then restarted on March 25, 2010, one process area at a time. Subsequent operations were monitored and assessed by Senior Engineering Watch personnel, as well as by senior management observers and executive management. In addition, a "Way Point Evaluation" was conducted to assess the performance of the NPPL operations. The results demonstrated the necessary improvement in the areas of management oversight, communications, questioning attitude, and safety over production and that continued operation was warranted. These results also indicated that we were ready to restart the first BPF line.

Since receiving NRC authorization to restart the BPF U-Metal/Oxide line on May 19, 2010 (Reference 5), NFS has continued the behaviors that have provided safe and successful operations since the restart of the NPPL in March. NFS also completed another Way Point Evaluation on June 10, 2010 that confirmed our sustained performance in the areas of management oversight, communications, questioning attitude, and safety over production and that continued operation was warranted.

Therefore, taking all of the above mentioned items into consideration, I have concluded that the BPF Uranium-Aluminum process line and associated support systems are ready for restart.

If you or your staff have any questions, require additional information, or wish to discuss this further, please contact me at (423) 743-1702, or Mr. Mark Elliott, Director of Quality, Safety & Safeguards, at (423) 743-1705. Please reference our unique document identification number (21G-10-0125) in any correspondence concerning this letter.

Sincerely,
NUCLEAR FUEL SERVICES, INC.,



David B. Amerine
President

WRS/smd

Copy:

Mr. Joseph Shea, Director
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Eugene Cobey, Deputy Director
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Steven Vias, Branch Chief
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Michael Ernstes, Branch Chief
Division of Reactor Safety
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Kevin Ramsey
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Mr. Manuel Crespo
Project Inspector
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Galen Smith
Senior Resident Inspector
U.S. Nuclear Regulatory Commission